

HOUSE BILL REPORT

ESSB 6737

As Reported by House Committee On: Finance

Title: An act relating to providing an exemption from property tax for aircraft used to provide air ambulance services.

Brief Description: Providing an exemption from property tax for aircraft used to provide air ambulance services.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Marr, Brown and McCaslin).

Brief History:

Committee Activity:

Finance: 3/18/10 [DPA].

Brief Summary of Engrossed Substitute Bill (As Amended by House)

- Provides a property tax exemption and aircraft excise tax exemption for aircraft owned by a nonprofit that is used exclusively for emergency medical transportation services.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass as amended. Signed by 6 members: Representatives Hunter, Chair; Orcutt, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Conway, Santos and Springer.

Minority Report: Do not pass. Signed by 2 members: Representatives Hasegawa, Vice Chair; Condotta.

Staff: Susan Howson (786-7142).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Under current law and depending on the type of aircraft, aircraft are subject to either the property tax or the aircraft excise tax. General aviation aircrafts (all aircraft except those owned by the government or by commercial airlines) must pay the aircraft excise tax, but are exempt from the personal property tax. This tax, and in-lieu of property tax, consists of an annual fee based on the type of aircraft:

- single engine, fixed wing: \$50;
- small, multi-engine, fixed wing: \$65;
- large, multi-engine, fixed wing: \$80;
- turboprop, multi-engine, fixed wing: \$100;
- turbojet, multi-engine, fixed wing: \$125;
- helicopters: \$75; and
- sailplanes, lighter-than-air, and home-built: \$20.

Aircraft that are exempt from the aircraft excise tax and operate in an airplane company, which transports people or property for compensation, are subject to personal property tax.

Summary of Amended Bill:

A property tax exemption and an aircraft excise tax exemption are provided for aircraft owned by a nonprofit exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) that is exclusively used to provide emergency medical transportation services. The exemption expires on January 1, 2020.

The exemptions apply to excise taxes imposed or property taxes set for collection beginning in 2011 and thereafter.

Amended Bill Compared to Engrossed Substitute Bill:

Exemptions for private aircraft used exclusively for medivac flights from islands in Washington are eliminated. An expiration date and tax application date are added to the bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

See House Bill Report in the 2010 Regular Session.

Persons Testifying: See House Bill Report in the 2010 Regular Session.

Persons Signed In To Testify But Not Testifying: None.